

REAL ESTATE RETENTION AGREEMENT

Between

Family Golf Centers, Inc.
Debtors In Possession

and

Keen Realty Consultants Inc.

Dated: May 1, 2000-- CONFIDENTIAL

By this Agreement, Keen Realty Consultants Inc. ("Consultant" or "Keen") agrees to act as a Special Real Estate Consultant to Family Golf Centers, Inc., Debtors In Possession ("Company") and Company hereby retains Consultant, upon the terms and conditions set forth below, as its Special Real Estate Consultant.

Consultant shall be responsible for the disposition of Company's right, title and interest in all of its excess real property interests. Those real properties currently designated for disposition are designated on Exhibit "A", attached hereto. Along with listing the specific properties to be marketed, Exhibit "A" includes the name of prior prospects who have expressed an interest in each location.

Company's owned and leased excess real property interests shall be referred to as the "Property,ies" and Company may designate additional excess Properties during the term of this Agreement.

I. TERM:

Subject to the approval of the United States Bankruptcy Court, the term of Consultant's retention shall be from the date of Company's execution of this Agreement through the closing of the last Property transaction approved by the Bankruptcy Court or for a period of twelve (12) months, whichever comes first.

II. MARKETING SERVICES AND RELATED FEES:

- A. Subject to the provisions of this Agreement, Consultant shall have the sole and exclusive authority to offer the Properties for disposition on an "exclusive right to sell" basis. All communications and inquiries regarding the Properties, except those by "Prior Prospects" (as defined below), whether directed to Company (including but not limited to its officers, agents and employees), or Company's counsel, accountants or other professionals, shall be re-directed to Consultant. Company shall retain the complete discretion to accept or reject any proposal.
- B. Consultant's services may include those generally described below, as appropriate.
 - 1. On request, Consultant will review all pertinent documents and will consult with Company's counsel, as appropriate.

2. Consultant will develop and implement, upon the Company's prior approval, a marketing program which may include, as appropriate, newspaper, magazine or journal advertising, letter and/or flyer solicitation, placement of signs, direct telemarketing, and such other marketing methods as may be necessary.
3. Consultant will communicate with potential buyers, brokers, investors, landlords, etc. and will endeavor to locate additional parties who may have an interest in the purchase of a Property.
4. Consultant will respond and provide information to, negotiate with, and solicit offers from prospective purchasers and settlements from landlords and shall make recommendations to Company as to the advisability of accepting particular offers and settlements.
5. When requested, Consultant will meet periodically with Company, its accountants and attorneys, in connection with the status of its efforts.
6. Consultant will work with the attorneys responsible for the implementation of the proposed transactions, reviewing documents, negotiating and assisting in resolving problems which may arise.

C. Compensation

1. When Company completes a disposition transaction (i.e., a Property transaction including but not limited to the assignment or sublease of a lease, sale or lease of an owned Property, etc.), whether such transaction is completed individually or as part of a package or as part of the disposition of Company's business or as part of a reorganization plan, then Consultant shall have earned the compensation pursuant to the schedule set forth below. Such fees shall be paid, in full, off-the-top, from the proceeds of sale or otherwise, simultaneously with the closing or other consummation of each transaction. Consultant's compensation shall be based upon a sliding scale that changes in relationship to the aggregate "Gross Proceeds" (as defined below) generated from the disposition of the Properties.
 - a) On the first five million dollars (\$5,000,000) of Gross Proceeds, Consultant shall have earned a fee on that tranch of Gross Proceeds equal to one percent (1%) of Gross Proceeds. Company agrees to pay Consultant this one percent fee plus, if Consultant retained a local co-broker, an additional two percent (2%) for such local Co-Broker and, in the event there is a third party procuring broker, an additional one and one-half percent (1.5%) payable to such third party procuring broker.

- b) On aggregate Gross Proceeds in excess of five million dollars but less than or equal to ten million dollars (\$10,000,000), Consultant shall have earned a fee on that tranch of Gross Proceeds equal to one and one-half percent (1.5%) of Gross Proceeds. Company agrees to pay Consultant this one and one-half percent fee plus, if Consultant retained a local co-broker, an additional two percent (2%) for such local Co-Broker and, in the event there is a third party procuring broker, an additional one and one-half percent (1.5%) payable to such third party procuring broker.
- c) On aggregate Gross Proceeds in excess of ten million dollars but less than or equal to fifteen million dollars (\$15,000,000), Consultant shall have earned a fee on that tranch of Gross Proceeds equal to two percent (2%) of Gross Proceeds. Company agrees to pay Consultant this two percent fee plus, if Consultant retained a local co-broker, an additional two percent (2%) for such local Co-Broker and, in the event there is a third party procuring broker, an additional one and one-half percent (1.5%) payable to such third party procuring broker.
- d) On aggregate Gross Proceeds in excess of fifteen million dollars, Consultant shall have earned a fee on that tranch of Gross Proceeds equal to two and one-half percent (2.5%) of Gross Proceeds per Property. Company agrees to pay Consultant this two and one-half percent fee plus, if Consultant retained a local co-broker, an additional two percent (2%) for such local Co-Broker and, in the event there is a third party procuring broker, an additional one and one-half percent (1.5%) payable to such third party procuring broker.
- e) For Example:

AGGREGATE GROSS PROCEEDS	TRAUNCHES	KEEN FEE	CO-BROKER FEE	THIRD-PARTY PROCURING BROKER (if necessary)
\$0 - \$5 million	1 st \$5 million	1%	2%	1.5%
\$5 million - \$10 million	Next \$5 million	1.5%	2%	1.5%
\$10 million - \$15 million	Next \$5 million	2%	2%	1.5%
Proceeds greater than \$15 million	Additional Proceeds	2.5%	2%	1.5%

2. Prior Prospects: With respect to each Property listed on Exhibit "A" that lists "Excluded Parties," such parties shall be referred to as "Prior Prospects." If title to such a Property is transferred on or before June 8, 2000 to the Prior Prospect specified on Exhibit "A" as the prospect with respect to such Property, then, in this specified circumstance:
 - a) Consultant's compensation shall be limited to having earned a fee equal to one-half percent (0.5%) of Gross Proceeds per Property, payable pursuant to para. "II.C.2" of the Agreement; and
 - b) in the event that such prospect purchases a Property for a price greater than that initially contemplated and such price increase is the direct result of bidding between that prospect and a prospect procured by Consultant, then, in that event, Consultant shall have earned additional compensation equal to five percent (5%) of the increase.
3. Local Brokers Re: Prior Prospects. If a Property designated to be sold in conjunction with a Local Broker sells to a Prior Prospect on or before June 8, 2000, the Local Broker will be compensated as follows:
 - a) If a Property has one excluded Prior Prospect, then Local Broker shall receive no minimum fee if a transaction is completed with a Prior Prospect;
 - b) If a Property has two (2) excluded Prior Prospects, then Local Broker shall receive a minimum fee of two thousand five hundred dollars (\$2,500) if a transaction is completed with a Prior Prospect.
 - c) If a Property has three (3) or more excluded Prior Prospects, then Local Broker shall receive a minimum fee of five thousand dollars (\$5,000) if a transaction is completed with a Prior Prospect.

D. Gross Proceeds:

1. The term "Gross Proceeds" as used herein shall include the sum of the total consideration transferred to or for the benefit of Company as purchase price for the properties and related assets.
2. The computation of Gross Proceeds as well as the computation of Consultant's fee shall not be affected by the costs of advertising, Company's legal fees, Consultant's expenses nor any ordinary closing costs and/or adjustments, including but not limited to adjustments and/or payments of whatever kind to landlords, lienholders, secured parties, offerors, etc., other than adjustments which are not in the ordinary

course and which do affect the purchase price (i.e., inventory cost adjustments).

- E. Company hereby agrees to instruct any escrow agent or counsel to pay Consultant its fees earned in strict compliance with the provisions of this Agreement, time being of the essence, directly from the proceeds of the Transaction, in full, simultaneously with the closing or other consummation of the Transaction.

III. EXPENSES AND DISBURSEMENTS:

- A. All advertising, marketing, traveling, lodging, FedEx, postage, telephone charges, photocopying charges, and other expenses (the "Expenses") incurred connection with performing the services required by this contract shall be borne by Company. Company must approve each expense item in excess of \$1,000 prior to the expenditure. The Company shall advance to Consultant expenses pursuant to the agreed upon budget (Paragraph III (B)). In addition, should additional Expenses be required, Consultant shall notify Company of such Expenses and Company will advance to Consultant such agreed upon additional Expenses. However, upon Consultant earning fees of \$1,000,000 in the aggregate, the Consultant shall reimburse the Company all Expenses and cover all future Expenses in connection with the performance of its duties hereunder.
- B. Consultant has prepared a marketing plan and budget which has been approved by the Company.

IV. SURVIVAL:

In the event Company and any third party should enter into an agreement providing for the sale, assignment, lease or other disposition of a Property before the expiration of this Agreement and the closing does not occur until after said expiration, then Consultant shall be entitled to a fee in accordance with the terms of this Agreement. If Company, after the expiration of said period, arranges for the sale of a Property to a third party whom Consultant solicited or otherwise introduced to a Property or introduced to the Company or with whom Consultant dealt in connection with a Property or Company prior to said expiration, and the contract signing or closing takes place within one (1) year after said expiration, then Consultant shall be entitled to a fee in accordance with the terms of this Agreement. In addition, in the event that Company enters into a contract, the result of which would entitle Consultant to a fee pursuant to this Agreement and the terms of this paragraph and a bankruptcy hearing/auction to approve such contract and/or solicit higher and better offers is held, then regardless of who may be the successful bidder, Consultant is entitled to a fee pursuant to the terms of this Agreement.

V. COMPANY'S RESPONSIBILITIES:

- A. With respect to each Property, Company warrants and represents that it will immediately inform Consultant as to:

1. any known or suspected risk of environmental hazard or contamination;
and
2. any known existing or pending violation(s) of federal, state or local
environmental laws or regulations.

Company shall have the continuing obligation to assess the accuracy of the representations contained herein and to advise Consultant in writing as soon as it becomes aware of any inaccuracy, inconsistency, incompleteness or change of circumstances and to correct same. Additionally, if Company has ordered environmental reports or studies, as soon as such become available, Company will immediately provide a true and complete copy of such reports to Consultant and will authorize Consultant to disseminate such reports to prospects.

- B. Company shall deal with Consultant fairly and in good faith so as to allow Consultant to perform its duties and earn the benefits of this Agreement and shall not interfere, prevent or prohibit Consultant, in any manner, prior to or during this sale from carrying out its duties and obligations under the Agreement.
- C. Company shall make available to Consultant all information concerning the Property/Properties requested by Consultant to perform its obligations hereunder. All information provided by Company shall be materially accurate and complete at the time it is furnished and Company shall, as soon as it becomes aware of any inaccuracy or incompleteness in any information then or later provided to Consultant, promptly advise Consultant in writing of such inaccuracy or incompleteness and correct the same. Consultant shall under all circumstances have the right to rely, without independent verification, on the accuracy and completeness of all such information supplied to Consultant in connection with Consultant's engagement hereunder and shall not be responsible for the inaccuracy or incompleteness of any information provided to it.

VI. GENERAL PROVISIONS:

- A. Any correspondence or required notice shall be addressed as follows:

If to Consultant, to: Keen Realty Consultants Inc.
60 Cutter Mill Road, Suite 407
Great Neck, NY 11021-3104
Telephone: (516) 482-2700 / Facsimile: (516) 482-5764
ATTN: Harold J. Bordwin, President

If to Company: Family Golf Centers, Inc.
538 Broadhollow Rd.
Melville, NY 11747
Telephone: (516) 694-1666 / Facsimile: (516) 694-0918
ATTN: Dominic Chang, Chairman and Chief Executive
Officer, and Krishnan P. Thampi, President

With a copy to: Fried Frank Harris Shriver & Jacobson
1 New York Plaza
New York, NY 10004
Telephone: (212) 859-8019 / Facsimile: (212) 859-4000
ATTN: Brad Scheler, Esq. and Larry First, Esq.

B. Upon Bankruptcy Court approval of this Agreement, it shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns. In the event the proceeding is converted from the Chapter 11 to Chapter 7, this Retention Agreement shall remain in full force and effect. This Agreement shall be construed fairly as to all parties and there shall be no presumption against the party who drafted this Agreement in the interpretation of this Agreement. By executing or otherwise accepting this Agreement, Company and Consultant acknowledge and represent that they are represented by and have consulted with legal counsel with respect to the terms and conditions contained herein. This Agreement may be executed in original counterparts and an executed facsimile may be deemed the equivalent of an original.

C. Indemnity:

1. Company hereby indemnifies and holds Consultant (which term includes its directors, officers, and employees) harmless against and from all losses, claims, damages or liabilities, joint or several (and all actions, claims, proceedings and investigations in respect thereof), whether by statute, at common law, in equity or otherwise, to which Consultant may become subject, which relate or pertain to or result or arise from Consultant's performance of the services described in this Agreement, and to reimburse Consultant for all reasonable legal and other out of pocket expenses (including the cost of investigation and preparation) as and when incurred by Consultant arising out of or in connection with any action, claim, proceeding or investigation in connection therewith, whether or not resulting in any liability (and whether or not Consultant is a defendant in, or target of, any such action, claim, proceeding or investigation); provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability is found by a court of competent jurisdiction to have resulted from Consultant's gross negligence or willful misconduct in performing the services which are the subject of the Agreement or as a result of a dispute with a Local Broker (as defined below). If for any reason the foregoing indemnification is unavailable to Consultant (other than as a result of the proviso in the preceding sentence) then Company shall contribute to the amount paid or payable by Consultant as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by Company, on the one hand, and Consultant, on the other hand, but also the relative fault of Company and Consultant as well as any relevant equitable

considerations, provided that, in no event, will Consultant's aggregate contribution hereunder exceed the amount of fees actually received by Consultant pursuant to the Agreement. The reimbursement, indemnity and contribution obligations of Company under this paragraph shall be in addition to any liability which the Company may otherwise have, shall survive any termination or completion of this Agreement and shall be binding upon and extend to the benefit of any successors, assigns, heirs and personal representatives of Company and Consultant.

2. If any action, claim, proceeding or investigation is instituted or threatened against Consultant in respect of which indemnity or contribution may be sought against Company hereunder, Consultant shall promptly notify Company thereof in writing, but the omission so to notify Company shall not relieve Company from any other obligation or liability that Company may have to Consultant under this Agreement or otherwise. Consultant shall have the right to retain counsel of its choice to represent Consultant in connection with any such action, claim, proceeding or investigation, provided that such counsel shall be reasonably satisfactory to Company. Company will not be liable hereunder for any settlement thereof by Consultant without Company's written consent, which will not be unreasonably withheld.
- D. In an effort to assist in the favorable disposition of the Property, Keen may retain the services of one or more local brokers to show the property and conduct the local segments of Keen's marketing program (the "Local Brokers"). The Local Brokers will be compensated pursuant to the terms of this Agreement.
- E. The Company shall have the right, upon 45 days prior written notice to Consultant, to terminate this Agreement, if in the Company's good faith judgment, the Consultant is not diligently pursuing disposition transactions. Upon receipt of such written notice, Consultant shall have 30 days to cure such breach and shall submit a written report to the Company evidencing in detail the steps taken by Consultant to cure. If the Consultant does not cure such breach within such 30-day cure period, this Agreement shall be terminated on the 45th day subject to the Company's obligation to pay the Consultant all fees due and owing pursuant to paragraph 2 and all Expenses incurred through such date. Such termination is without prejudice to Consultant's rights pursuant to paragraph "IV" hereof.

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Family Golf Centers, Inc.

May 1, 2000

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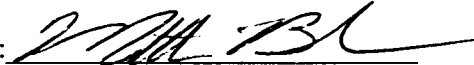
CONFIDENTIAL

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on their behalf by their respective duly authorized representatives as the set-forth below.

AGREED AND ACCEPTED

this 3 day of May, 2000

KEEN REALTY CONSULTANTS INC.

By: 


Name: Matthew Bordwin

Title: Vice President

AGREED AND ACCEPTED

this 3 day of May, 2000

FAMILY GOLF CENTERS, INC.

By: 

Name:

Title:

Exhibit A

Family Golf Centers
 Final List: 1) Properties To Be Marketed 2) List of Prior Prospects

5/1/00,
12:57 PM

#	City	State	Excluded Parties	# of Excluded Parties
328	Rio Salado (Tempe)	AZ	Golf Discount of St. Louis, Dick McMillan - MacHugh Golf, David Kerr	3
343	El Cajon	CA	Mike Kajita\Sagawa, Grace Pan, Alan Park, David Kerr	4
345	Lodi	CA	Mike Kajita\Sagawa, Grace Pan, Alan Park, David Kerr	4
419	Moreno Valley (Towngate)	CA	Mike Kajita\Sagawa, Grace Pan, Alan Park, David Kerr	4
341	Sacramento	CA	Mike Kajita\Sagawa, Grace Pan, Alan Park, David Kerr	4
406	San Diego	CA	Mike Kajita\Sagawa, Grace Pan, Alan Park, David Kerr	4
408	Suisun	CA	Mike Kajita\Sagawa, Grace Pan, Alan Park, David Kerr	4
420	Lake Park	FL	Thomas Lee, Harvard Properties, Ron Farrell, Ernie Swart, Diel Golf Properties, Edwin Watts Golf Shops, David Kerr	7
222	Margate	FL	Al Grassano\Tom Wilson - \$1.0m offer, Thomas Lee, Harvard Properties, Ron Farrell, Ernie Swart, Diel Golf Properties, Edwin Watts Golf Shops, David Kerr	8
421	North Lauderdale	FL	Thomas Lee, Harvard Properties, Ron Farrell, Ernie Swart, Diel Golf Properties, Edwin Watts Golf Shops, David Kerr	7
241	Stuart	FL	Thomas Lee, Harvard Properties, Ron Farrell, Ernie Swart, Diel Golf Properties, Edwin Watts Golf Shops, David Kerr	7
216	West Palm Beach	FL	Al Grassano\Tom Wilson - \$750k offer, Thomas Lee, Harvard Properties, Ron Farrell, Ernie Swart, Diel Golf Properties, Edwin Watts Golf Shops, David Kerr	8
999	Holbrook	MA	Jeff Abrams, John Flatley (JG)	2
228	Olney	MD	Jeff Abrams	1
212	Flemington	NJ	Jay Wolfe - Connections Golf	1
417	Toms River	NJ	Jay Wolfe - Connections Golf	1
235	Commack	NY	Jay Wolfe - Connections Golf	1
213	Mohegan Lake (Yorktown)	NY	Jay Wolfe - Connections Golf	1
111	New Hartford	NY	Jay Wolfe - Connections Golf	1
206	Queensbury	NY	David Freeman, Jeff Abrams, Jay Wolfe - Connections Golf	3
407	Rocky Point	NY	Jay Wolfe - Connections Golf	1
424	Williamsville	NY	Jay Wolfe - Connections Golf	1
413	Beaverton	OR	Michael Neff\Herb Meistrich, Brian Patton\Paul Allen (JG)	2
342	Portland (82nd Ave.)	OR	Michael Neff\Herb Meistrich, Brian Patton\Paul Allen (JG)	2
414	Monroeville (McDaine)	PA	Jay Wolfe - Connections Golf	1
229	Southampton	PA	Kimco - LOI w/in 2 weeks, Jay Wolfe - Connections Golf	2
236	Greenville	SC	Realty Link - Kim Durham \ Neil Wilson - as principals, Edwin Watts Golf Shops, David Kerr	3
455	Houston	TX	Ernie Swart, Clay Edwards, Sutherland, Dick McMillan - MacHugh Golf	4
456	Houston	TX	Ernie Swart, Clay Edwards, Sutherland, Dick McMillan - MacHugh Golf	4
457	Kingwood	TX	Ernie Swart, Clay Edwards, Dick McMillan - MacHugh Golf	3
334	Seattle	WA	Dick McMillan - MacHugh Golf, Bill Jones - Birchland Dev. Corp. (JG), Union Hill Const. (JG), Richard Schroeder (JG), Happy Valley Land (JG), Generco (JG), ST Corp (JG), Stafford Home (JG)	8
461	Tacoma	WA	Dick McMillan - MacHugh Golf, Bill Jones - Birchland Dev. Corp. (JG), Brian Patton\Paul Allen (JG)	3
463	Tumwater	WA	Dick McMillan - MacHugh Golf, Brian Patton\Paul Allen (JG)	2
224	Milwaukee	WI	Leon Storm (JG), Bill Jones - Birchland Dev. Corp. (JG)	2
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